



**IRG Technology, Media and Telecommunications
and
Life Sciences Weekly Market Review**

Week of 29 June 2009 - 5 July 2009

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IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



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Equity Market Indicators					
Index	Closing Level (7/3/2009)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 12/31/2008	% Change 12/31/2007
S&P 500	896.42	-2.4%	-5.1%	-0.8%	-39.0%
Dow Jones Industrial Avg.	8,280.74	-1.9%	-5.3%	-5.6%	-37.6%
Dow Jones Tech. Index	313.44	-0.9%	-1.1%	24.7%	-31.7%
Dow Jones Telecom. Index	189.78	-1.2%	-1.7%	-5.0%	-39.5%
NASDAQ Composite	1,796.52	-2.3%	-2.2%	13.9%	-32.3%
Japan Nikkei 225	9,816.07	-0.6%	1.2%	10.8%	-37.3%
JASDAQ	48.84	2.4%	11.6%	1.3%	-32.3%
Japan Mothers	446.91	2.5%	12.0%	38.2%	-42.9%
Korea KOSPI Composite	1,420.04	1.8%	0.5%	26.3%	-25.1%
Korea Kosdaq	501.82	-0.3%	-6.8%	51.1%	51.1%
Taiwan Stock Exchange	6,665.40	3.1%	-4.1%	45.2%	-21.6%
Singapore Straight Times	2,356.68	-0.2%	-3.0%	33.8%	-32.0%
Hong Kong Hang Seng	18,203.40	-2.1%	-1.0%	26.5%	-34.6%
Hong Kong GEM	580.95	-1.0%	4.8%	50.7%	-57.0%
China Shanghai (A-Share)	3,242.10	5.5%	13.4%	69.6%	-41.3%
China Shenzhen (A-Share)	1,050.77	4.4%	10.2%	80.7%	-30.9%
China Shanghai (B-Share)	197.21	6.1%	10.3%	77.8%	-46.1%
China Shenzhen (B-Share)	515.38	5.9%	15.4%	90.0%	-27.4%

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Technology, Media, Telecommunications and Life Sciences Market Activity						
NASDAQ/NYSE TMT and Life Sciences IPO Filings						
Filing Date	Issuer	Industry Sector	Size (US\$MM)	Description	Book-Runner	Co-Manager
N/A						

NASDAQ/NYSE Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 2/15/08	% Change From Offer
N/A						

Asian Equity Markets: TMT and Life Sciences IPO Filings						
Filing Date	Issuer	Industry Sector	Size (US\$MM)	Description	Book-Runner	Co-Manager
N/A						

Asian Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 2/15/08	% Change From Offer
N/A						

Asian Markets: TMT and Life Sciences Convertibles						
Issuance Date	Issuer [Equity Ticker]	Description of Issuer	Maturity Date	Size (US\$MM)	Per US\$10,000 converts to	Convertible Until
N/A						

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Weekly Highlights

Japan

Hardware

- **Panasonic Corp. said its domestic home-appliance unit may exceed its sales forecast this year, helped by government incentives to buy energy-saving products.** The company expects the program to boost demand and help sales beat a projection of 640 billion yen (US\$6.7 billion) in the year ending March 2010, according to Jun Ishii, the head of Panasonic Japan's marketing division for home appliances. The home-products unit overall was the most profitable of Panasonic's four main businesses last year, outdoing divisions making televisions and stereos, electrical components and homes. The July-to-September quarter will be critical for the Japanese unit's results, Ishii said, after the government introduced incentives in May to boost spending on appliances as a part of Prime Minister Taro Aso's plan to spur economic growth.
- **Suning Appliance would pay 800 million yen (US\$8.3 million) for 27.36 percent of Laox, making it the loss-making Japanese electronics retailer's biggest shareholder.** Suning would pay 12 yen for each of 66.67 million shares and get two seats on the Laox board. Chinese firms have been looking for bargains in their efforts to expand abroad, but Suning said this was the first time a mainland firm had purchased a stake in a listed Japanese company. Suning hoped to return the flagging Laox to profit within a year or 18 months. Suning aimed to use Laox's expertise in the highly competitive Japanese consumer electronics retail market to help it improve business practices such as pricing policies, store layout and customer service.
- **Sony Corp is considering developing a cellphone-game gear hybrid in a bid to better compete with Apple Inc's highly popular iPod and iPhone.** The Japanese electronics and entertainment conglomerate launched its first Walkman three decades ago, dominating the portable music player market, but it has been running far behind the iPod and iPhone in recent years. Sony plans to set up a project team as early as July to develop a new product that combines functions of its portable game player and Sony Ericsson's mobile phones. Sony Ericsson is a cellphone joint venture between Sony and Sweden's Ericsson. A growing number of game-makers including Capcom and Square Enix are now offering software for the iPod and iPhone to take advantage of the Apple products' popularity, posing a threat to Sony's PlayStation Portable and Nintendo Co Ltd's DS.

Telecommunications

- **NTT Docomo Inc. will launch a new service jointly with Mizuho Bank to enable subscribers to transfer money via mobile phone handsets without opening new bank accounts.** Rival KDDI Corp., the operator of the 'au' brand mobile phone service, has already been offering a similar banking service, but its service requires its users to open new bank accounts. Under NTT Docomo's money transfer service, subscribers input the receiver's phone number and part of their surname to make a payment of up to 20,000 yen (US\$208.28), which will be charged on their monthly bills with a fee of 105 yen (US\$1.09). The recipient can use the transferred money to pay their phone bills or put into their bank accounts via Mizuho Bank.

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Semiconductor

- **NEC Electronics Corp's semiconductor orders would increase several percent this quarter, helped by demand for chips used in cars and liquid-crystal displays.** Orders in the quarter probably jumped one and a half times from the previous three-month period, as manufacturers emerged from a period of excessive inventory cuts. NEC Electronics in May planned to cut labour and research costs by 90 billion yen (US\$936 million) this financial year to break even at operating level this fiscal year. The company was increasing production to meet a recovery in demand. The factory-utilisation ratio, a measure of how close the plants are to operating at full capacity, would probably rise to 60 percent this quarter, from about 50 percent last quarter and 43 percent in the first quarter this year.
- **Elpida Memory confirmed that it would receive 160 billion yen (US\$1.6 billion) in aid and loans from the Japanese government, its Taiwanese partner and financial institutions after falling chip prices led to a record loss in the past fiscal year.** The company would sell 30 billion yen in preferred shares to the state-run Development Bank of Japan by the end of next month. Taiwan Memory, a chipmaker set up by the island's government, planned to invest an additional 20 billion yen by March 31, the bank said, while banks would lend the balance of funding. Elpida is Japan's last hope in personal-computer memory chips in an industry dominated by South Korea's Samsung Electronics and Hynix Semiconductor. Makers of computer memory worldwide are seeking funding to survive the chip glut that drove Qimonda to seek bankruptcy protection and resulted in a record loss at Elpida last fiscal year.
- **Shareholders at Japanese specialty chip maker Rohm Co. Ltd. voted against a US\$156 million share buyback proposal by U.S. investment fund Brandes Investment Partners.** Brandes, which has US\$42.4 billion under management, had proposed that cash-rich Rohm buy back up to 2.5 million of its own shares for a maximum 15 billion yen (US\$156 million).

Korea

Media, Gaming and Entertainment

- **TU Media, the country's sole operator of satellite-based digital multimedia broadcasting (DMB), said the number of its subscribers topped 2 million, four years after it launched the service.** More than 20 million terrestrial DMB devices, including mobile phones, were also sold as of the end of May. The numbers suggest that about 45 percent of South Korea's 49 million population enjoy mobile TV service. South Korea first launched its DMB service in 2005, the first country in the world to do so, with the development of digital radio transmission technology. It has since become a ubiquitous feature of society thanks to a tech-savvy population and widespread cellular phones and laptop computers. Dubbed "TVs in hand," the mobile service allows people to surf TV channels via palm-sized monitors built into their cell phones while sitting in an underground subway or traveling via train. Various modes of public transportation such as buses, trains, and subways have also begun to equip vehicles with monitors broadcasting programs at all times.

Hardware

- **LG Electronics aims to overtake Sony as the second-biggest this year, driven by stronger than expected demand.** The company was maintaining its LCD television shipment target of 18 million units this year, which would be achievable, said Simon Kang, the head of the firm's home-entertainment division. Global revenue from LCD televisions would drop 6 percent this year to US\$76

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billion, researcher DisplaySearch said last week, higher than its previous estimate of US\$66 billion. Worldwide LCD television shipments will rise 21 percent to 127 million units, compared with an earlier prediction of 120 million sets, because of higher demand from China and as more consumers replace bulkier glass-tube sets. LG aimed to increase sales of flat-panel televisions by as much as 42 percent this year and boost market share with new products and technologies. Shipments of LCD television sets might rise 50 percent to 18 million sets this year, while those of plasma models would probably climb 7 percent to 3 million sets.

- **Tokyo-based Idemitsu Kosan has entered into a strategic alliance with South Korea's LG Display to develop high-performance organic light-emitting diode displays.** Their agreement encompasses the cross licensing of patented technologies related to OLED, and mutual collaboration on OLED technologies. The alliance is seen as mutually beneficial, with Idemitsu securing a global display leader as a customer by supplying high-performance OLED materials and device-structure proposals to the Korean display maker, and LG Display gaining the tools to accelerate its growth in the OLED business. Idemitsu turned its attention to phosphorescent materials as well as fluorescent materials. The company has been active in joint development with device manufacturers Sony and Toshiba Mobile Display, in parallel, and expects its new partnership to further strengthen its OLED-material business.
- **Samsung Electronics has won a ruling from the U.S. International Trade Commission against Japan-based electronics company Sharp over patented technology for liquid crystal displays.** The ITC found that Sharp infringed one of Samsung's patents in its LCD televisions and displays and ordered a ban on their import into the U.S. market. Samsung filed a complaint with the ITC in 2007 to investigate Sharp's products for infringing four of its patents. Sharp filed a counter-claim in March 2008. Earlier this month Sharp won a ruling from the ITC that found Samsung to have violated four Sharp patents and ordered a ban on the import of its LCD televisions, computer monitors, and professional displays in the U.S. market. In March Samsung won a LCD patent infringement suit against Sharp in the Tokyo District Court in Japan. In January the ITC ruled that Sharp infringed two Samsung LCD patents.

China

Hardware

- **Lenovo Group raised the compensation of former chief executive William Amelio by 54 percent last financial year, after the mainland's biggest personal-computer maker posted a record annual loss.** Mr. Amelio, who resigned on February 5, was paid US\$17.6 million in the year to March, including US\$3.25 million as compensation for loss of office as director. The document also showed Mr. Amelio's total compensation was US\$11.4 million a year earlier. Yang Yuanqing, who replaced Mr. Amelio as Lenovo's chief executive, received a 42 percent increase in total pay to US\$7.2 million for the financial year to March. Mr. Yang was previously the chairman, a title now held again by Lenovo founder Liu Chuanzhi. Mr. Amelio, who joined Lenovo from Dell in December 2005, had resigned in the aftermath of the firm's first deficit in almost three years - a net loss of US\$97 million for the quarter to December last year, a reversal from a net profit of US\$172 million the previous year.
- **Samsung Electronics' Greater China sales volume reached US\$44.5 billion in 2008, while its China region purchasing volume rose 27 percent year-on-year in the period to US\$27.2 billion.** Samsung expects China region purchasing volume to climb to US\$32 billion in 2009 and currently has more than 4,500 domestic suppliers.

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Telecommunications

- **Ericsson has won contracts to provide fixed broadband to China's three telecom operators, China Mobile, China Telecom and China Unicom.** The initial contract will provide fiber-to-the-home (FTTH) networks for services including high-definition TV and high-speed broadband in Shanghai and eight provinces: Anhui, Guangdong, Hebei, Heilongjiang, Hubei, Liaoning, Shandong, and Sichuan.
- **China Mobile Ltd. is still applying for approval from Taiwanese regulators on its plan to take a stake in Taiwan's Far EasTone Telecommunications Co.** The Taiwan Affairs Office is under the State Council, China's highest executive body, and is in charge of cross-strait affairs. State-owned wireless carrier China Mobile agreed to pay about US\$527 million for 12 percent of Far EasTone, which would be the first deal between telecommunications companies in China and Taiwan if it is allowed. Far EasTone shareholders have already approved the deal. Taiwan opened 100 sectors to investment by mainland Chinese companies, but didn't include the politically sensitive telecommunications sector, indicating the investment is unlikely to be approved by Taiwanese authorities.
- **China Telecom's 3G brand e-Surfing opened a 3.6 million-handset tender.** 70 handset manufacturers - including ZTE, LG Electronics, Samsung Electronics, Nokia, Huawei and China Wireless Technologies subsidiary Yulong Coolpad submitted bids to supply the handsets, which will retail for around 1,000 yuan (US\$146.3).

Media, Entertainment and Gaming

- **The9 President Xiaowei Chen has renewed her contract with the company for another two years, reports National Business Daily quoting an unnamed source close to Chen.** The9 announced that its full year 2008 income, to be reported on Form 20-F on or before July 15, will be 55 percent to 75 percent lower than net income for the same period reported in its Form 6-K on February 24. The9 has incurred charges related to the loss of its operating license for 3D MMORPG World of Warcraft. Activision Blizzard division Blizzard Entertainment has licensed the game to NetEase for mainland operation following the expiration of The9's contract.
- **Shanda Games Ltd., subsidiary of local online game operator Shanda, announced that it's struck a deal with Japanese peer CyberStep, Inc. to operate the latter's two MMORPGs, GetAmped and CosmicBreak, in China.** GetAmped and CosmicBreak are both 3D massively multiplayer online role-playing games, with the former a combat game and the latter a shooter. CyberStep is a Japanese game developer which has been involved in the market for the past 10 years and GetAmped has been operating in over 10 countries so far.

Software

- **Oracle Corp. is expected to commence its most important marketing campaign on the mainland this year following the global launch of its long-anticipated Fusion Middleware 11g suite of products.** On the back of the mainland's economic stimulus initiatives, Oracle anticipated that enterprises in various industries are expected to be well positioned to adopt the software release, which includes key technologies brought by Oracle from its many acquisitions. The take-up will start in the telecommunications sector, where mainland network operators are building their nationwide 3G mobile infrastructure, and in the public sector, thanks to continued government spending. The central government announced in November last year a 4 trillion yuan (US\$585 billion) economic stimulus package, including support to 10 strategic industries.

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Semiconductor

- **A8 Digital Music Holdings has teamed up with semiconductor firm MediaTek to target the potentially vast number of 3G handsets being produced for the domestic market.** A8 Music has agreed to have its proprietary software, A8 Box, embedded in the Taiwanese firm's chipsets destined for 3G mobile telephones made on the mainland. Liu Xiaosong, the founder, chairman and chief executive of A8 Music, said the deal would boost the penetration rate of A8 Box in the mainland mobile market. The company, which owns more than 60,000 original works of music on the mainland, designed the A8 Box software to enable mobile users to easily access and buy content from its large online database and various digital music service providers.

Alternative Energy

- **Yingli Green Energy has been selected by State Development and Investment Corp. subsidiary SDIC Huajing Power Holding, to supply PV modules for a 10MW on-grid solar plant to be located in Dunhuang, Gansu Province.** SDIC Huajing Power Holdings and Yingli made a combined bid to operate the similar-sized government project in Dunhuang.
- **LDK Solar expects second quarter shipments to come in between 220MW and 230MW, above previously issued guidance of 200MW to 220MW, while revenues are expected to be US\$215 million to US\$225 million.** In the first quarter of 2009, LDK booked a net loss of US\$22.5 million on revenues of US\$283.3 million and 206MW of wafer shipments. LDK Solar has secured a one-year principal loan of 500 million yuan (US\$73 million) from The Export-Import Bank of China, as well as a three-year 500 million yuan (US\$73.1 million) loan from Huarong International Trust to support polysilicon plant construction. LDK Solar had more than US\$250 million in cash as of June 30. The company's annualized wafer capacity reached 1.5GW by June 30. LDK saw strong demand for wafers in the second quarter and plans to resume wafer plant expansion to reach 2GW of annual capacity by the end of 2009.
- **ReneSola Ltd. announced that its operating subsidiary, Zhejiang Yuhui Solar Energy Source Co. Ltd., has qualified as a high technology enterprise and will receive a reduced income tax rate of 15 percent for three years, starting January 1, 2009.** The current statutory tax rate is 25 percent. China's central government awards the high technology classification on the basis of the number of patents and propriety technologies held by the company, as well as its R&D facilities.
- **Trina Solar Ltd. has secured a new credit line of US\$57 million from Standard Chartered Bank (China) Ltd., bringing Trina's total credit to roughly US\$520 million.** The company aims to use the credit for raw material procurement and product sales.

Taiwan

Networking

- **D-Link Corp. expects revenue this year to continue to decline as enterprises and telecom operators slow their spending, but growth in China's third-generation mobile market should help support its business.** D-Link President and Chief Executive Tony Tsao told the Dow Jones Newswires in a recent interview the company expects its revenue to fall less than 20 percent this year from NT\$33.02 billion (US\$1.0 billion) posted in 2008. He forecasts the global networking equipment industry to experience a 20 percent decline in revenue. The company competes with Cisco Systems Inc. and Juniper Networks Inc. of the U.S. in the network equipment market. As China is still experiencing robust demand because telecom operators there are working to upgrade their networks,

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D-Link hopes to gain a strong foothold in the mainland and is aiming to make China one of its top three markets after the U.S. and Russia.

Hong Kong

Telecommunications

- **PCCW Ltd. Managing Director Alex Arena said the company has no plans to revive a proposal to a sell a stake in its media and telecommunications unit that was shelved last year amid the market downturn.** The company shelved the sale in October after receiving bids from private-equity companies that weren't sufficiently attractive.

Singapore/Malaysia/Philippines/Indonesia/India

Media, Gaming and Entertainment

- **Reliance Big TV Ltd. has seen a lot of investor interest in the company and is currently evaluating all proposals.** Reliance Big TV, a direct-to-home television company, launched its services about 10 months ago. Prasad expects Big TV's customer base to touch 3 million by the close of the current fiscal year ending March 31, 2010, from 1.8 million currently. Big TV's current monthly average revenue per user - a key performance indicator is 200 rupees (US\$4.18).

Telecommunications

- **Millicom said several companies are eyeing its Asian assets and that the strategic review of its Asian operations is proceeding as planned.** The company appointed Goldman Sachs as an advisor on the process. During its first quarter 2009 results Millicom announced plans to conduct a strategic review of its Asian business that could see it divest some or all of its assets in the region. A retreat from Asia would leave the company with its Central and South American, and African businesses. The operator was undertaking the review due to increased competitive pressure particularly in Cambodia and Sri Lanka. Millicom also operates services in Laos. The company's Asian operations generated revenues of US\$67.5 million during the three months ended 31 March 2009, up 7 percent from a year earlier, a bigger growth rate than any of its other businesses achieved. Amid intensifying competition Millicom also managed to grow its subscriber base in Asia by 34 percent on-year to reach 4.54 million users, up from 3.38 million a year ago.
- **Reliance Communications Ltd. plans to outsource the management of its wired services network in a deal likely to be worth more than US\$750 million.** The contract for wired services is likely to be bigger than the US\$750 million, five-year outsourcing order given last year for its wireless network to a joint venture between Reliance Communications and France's Alcatel-Lucent. The joint venture, in which Alcatel-Lucent has a 67 percent stake, will be among the bidders for the new contract. Reliance is likely to first implement the system for the wired services network on an experimental basis in 5-10 service areas in the next three months, and then cover the entire country in the subsequent three months. Reliance Communications, part of the Anil Dhirubhai Ambani Group, is India's second-largest mobile services provider by subscriber base.
- **Sterlite Technologies Ltd. will invest 2.50 billion rupees (US\$52.3 million) to expand its optical-fiber manufacturing capacity.** The optical-fiber making capacity - which is currently being expanded to 12 million kilometers a year - will eventually reach 20 million kilometers by 2011. Sterlite

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Technologies's board has also approved a plan to issue up to 7.3 million convertible warrants on preferential basis to founders.

- **India's Tech Mahindra Ltd. is committed to developing a A\$75 million (US\$59.8 million) IT facility in Geelong, Australia, and continues to service Telstra Corp. despite losing a A\$30 million-plus contract.** The Indian company has also written to the World Bank to ask it to lift an eight-year ban on recently acquired Satyam Computer Services Ltd. Telstra was still a customer despite reports it had severed all ties.
- **India's Kavveri Telecom Products Ltd. said one of its units has bought Canada's Trackcom Systems International Inc.** With the acquisition, Kavveri Technologies International will have access to many radio frequency products and antennas up to 40 gigahertz that are useful for space, defense and telecom applications. The Kavveri Telecom board had in June given approval for the company to raise up to 300 million rupees (US\$6.3 million) in a rights issue. It didn't say what the proceeds would be used for.
- **Indonesia's Department of Communication and Information Technology will extend a temporary ban on imports of new Blackberry models until Research in Motion Ltd. establishes a local office.** Gatot Dewa Broto, head of public relations at the ministry, said the ministry will inform vendors that import and sell Blackberries that imports of any model of the handheld device not currently sold in Indonesia will be banned until the company, known as RIM, sets up a local office to offer aftersales services. The ban will be extended if RIM doesn't set up a local office. The ministry placed a temporary ban on imports of new Blackberry models. Talks with RIM so far have yielded little concrete progress with the Canadian firm, which promised only to conduct a feasibility study to set up a local office. Information from vendors indicates there are around 300,000 Blackberry users in Indonesia currently. Without the ban that number is likely to reach 1 million by the end of the year, but if the ban stays in place the increase in users is likely to be less.
- **Australian Communications Minister Stephen Conroy unveiled the regional locations that will form the first stage of a planned multibillion dollar national broadband Internet network.** The regions are Emerald and Longreach in Queensland state; Geraldton, in Western Australia; Darwin, in the Northern Territory; Broken Hill, in New South Wales; Victor Harbor, in South Australia; and South West Gippsland, in Victoria. The government launched a competitive tender to construct, operate, and maintain the backbone links, with construction expected to begin in September. The A\$250 million (US\$199.6 million) regional backbone link rollout is the first stage in a planned A\$43 billion (US\$34.3 billion) national network.

Information Technology

- **Satyam Computer Services Ltd., the company at the center of India's biggest corporate fraud probe, is regaining customers after its takeover by Tech Mahindra Ltd.** Gurnani has vowed to improve corporate governance and ties with customers as Satyam tries to win back business lost to rivals including Infosys Technologies Ltd. after a US\$1 billion fraud. Satyam shares have rallied 64 percent since Tech Mahindra won control at an auction in April. The Hyderabad-based company, once India's fourth-largest software exporter, rose 0.6 percent to close at 77.4 rupees in Mumbai trading. The Sensitive Index added 1.7 percent. Gurnani, a former chief operating officer and founder of the Indian unit of Perot Systems Inc., has to reassure customers Satyam is a supplier they can rely on, especially given the current global recession.

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- **Mahindra Satyam will pitch for contracts that British Telecommunications PLC has signed with Infosys Technologies.** BT owns 31 percent of Tech Mahindra Ltd., the new owner of Mahindra Satyam, which was formerly Satyam Computer Services.

United States/Canada

Media, Entertainment and Gaming

- **News Corp. Chief Executive Rupert Murdoch said speculation that he'd liked to buy New York Times Co.'s flagship paper is not true.** Murdoch on the other hand hasn't reigned in his ambition for MySpace, which recently announced a big round of job cuts. Advertising at The Wall Street Journal was marginally better than at other newspapers, but not great. Cost cuts at the paper have outpaced falling ad revenue. Murdoch preferred a subscription model like the Journal's rather than micropayments to monetize the online operations of his other news businesses.

Internet

- **EBay Inc.'s dispute with the founders of its Skype Internet-phone division threatens to delay a Skype initial public offering and lower the amount raised.** Skype, which lets users place calls online, told a London court in April that it may have to suspend the service if it can't resolve the fight. Skype's founders, who still own a piece of software used by Skype, have accused EBay of breaching a licensing deal. They're threatening to yank the technology from Skype, disabling the world's largest provider of international calls. EBay sued the founders in London to prevent that from happening. Still, the timing of the case may interfere with plans to spin off Skype as an IPO in 2010. If unresolved, the lawsuit also may cut the price EBay gets in the offering.
- **Yahoo Inc. is winding down online-video service Maven Networks, which it acquired last year for US\$160 million, as part of the company's continuing effort to shed non-core properties.** The move to close Maven comes less than one month after the video was an exciting area for the company. Video initiatives remain a top priority for the company but that it was increasing investment in some areas while scaling back in others. Maven was used to manage, distribute and monetize premium online-video content for more than 30 major media companies, including CBS Corp.'s CBS Sports, Gannett Co. and Pearson PLC's Financial Times. Yahoo will wind down those contracts, but will continue to use Maven technology it inherited as the company focuses on improving core video products.
- **YouTube co-founder Steve Chen, who oversaw the company's technical operations as it grew from upstart to the world's biggest video site, no longer works at the site from day to day.** Chen left his spot as chief technology officer last fall, though he remains employed at Google Inc., which bought his company for US\$1.65 billion in 2006. Steve shifted his focus to help with some Google engineering projects. Google hasn't officially named a replacement chief technology officer for Chen, and the job no longer exists. But the highest-ranking engineer at the company is now Louis Perrochon, who has been at Google since 2003. Chad Hurley, who co-founded YouTube with Chen and Jawed Karim in 2004, remains the company's CEO. But it's not unusual for founders to move on from their companies within a few years of selling them.

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Software

- **Microsoft Corp will sell the standard home-user version of its new Windows 7 operating system for 8 percent less than the comparable version of its Vista system, as the global downturn hits spending on technology.** The company, whose recent ads champion low-priced PCs against more expensive Apple computers, said the new system will be available at even lower prices for a short time, as it looks to tempt buyers ahead of the holiday shopping season. The new operating system, which Microsoft hopes will be a bigger hit than the poorly received Vista, will be generally released on October. It will be available on pre-order from U.S. stores such as Best Buy, online retailer Amazon.com and the company's own website. The price Microsoft charges manufacturers is becoming a thorny point, as both sides look to maximize their share of profits as PC sales dip and prices are driven down. The software giant would sell the Home Premium upgrade version of Windows 7 - which most nonbusiness customers already using Windows will want for US\$49.99 from until July 11 in the U.S. The discs would be shipped after general release.

Hardware

- **Best Buy Co. is building a customer-service team that will use Twitter Inc. to answer questions about products to help increase sales.** Best Buy's "Twelpforce" will search Twitter posts to find people seeking information about flat-panel televisions and other electronics. More than 500 employees at stores and at the company's Richfield, Minnesota headquarters are signed up to participate. Consumers are spending less on digital cameras and appliances in the second year of the worst U.S. economic slump since the Great Depression. Best Buy and Wal-Mart Stores Inc., the world's biggest retailer, are vying for the former customers of Circuit City Stores Inc., which closed in March.

Europe

Mobile/ Wireless

- **Vodafone Group was considering a bid for T-Mobile UK, the British wireless unit of Deutsche Telekom.** Vodafone might make an offer or form a joint venture. The deal would create an entity with about 35 million subscribers or 50 percent of the British mobile-telephone market. The German firm's unit, T-Mobile UK, had sales of 4 billion pounds (US\$6.5 billion) last year. Vodafone operates in the crowded British mobile-telephone market, where five companies offer services, compared with four in Italy and three in France. Bringing together its British mobile-telephone operations with those of Deutsche Telekom may fit into the strategy of Vodafone chief executive Vittorio Colao, a former McKinsey partner, who took over in July last year. Mr. Colao is pushing managers to bolster existing operations and squeeze more profit from them rather than expand in new markets.

Internet

- **Joost NV, an online video service launched by the founders of Skype, is retreating from the consumer market and replacing its high-profile chief executive.** The company, which provides television programming over the Web, said it would reinvent itself as a technology provider that will enable media companies to publish Internet video under their own brands. The move marks a dramatic shift by Joost, which was founded in 2006 but failed to live up to its early hype. Internet users have instead flocked to Google's YouTube for user-generated content or sites like Hulu LLC, a joint venture between News Corp., General Electric Co.'s NBC Universal and Walt Disney Co. dedicated to TV programs. Mr. Volpi will be replaced as CEO by Matt Zelesko, senior vice president

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of engineering. Mr. Volpi, a key architect of networking giant Cisco Systems Inc.'s acquisition machine during the dot-com boom, will remain chairman of Joost's board.

Telecommunications

- **Telekom Austria announced plans to invest 1.5 billion pounds (US\$2.4 billion) in rolling out next-generation fixed and mobile network infrastructure.** Over the next four years the incumbent operator will spend €1 billion (US\$1.4 billion) on fibre-to-the-home (FTTH) networks in Klagenfurt and two districts of Vienna. Telekom Austria said it aims to offer transmission speeds of up to 100 megabits per second by 2010, with a view to eventually ramping speeds up to 1 gigabit per second. Meanwhile a fibre-to-the-curb (FTTC) network capable of speeds of up to 30 Mbps will be built to cover every home in the city of Villach. Telekom Austria said the new network will be able to support a number of services including high definition TV. In addition to what Telekom Austria refers to as fiber cities, the company plans to extend high-speed broadband access to a further 750,000 homes, as well as hotels and restaurants throughout the country.
- **Swisscom AG is confident of reaching its full-year earnings and operational targets in 2009, even as the economic downturn accelerates, and will seek bolt-on acquisitions in areas such as information technology in a bid to stem declining sales in its core telecom market.** Swisscom, in which the Swiss government has a more than 50 percent stake, is Switzerland largest telecom operator. The government has made two strategic directives for the firm not to take over telecom incumbents in other countries and hold too much debt. Excluding its Italian business, Swisscom targets net revenue of up to 9.3 billion Swiss francs (US\$8.6 billion) in 2009 and up to 3.9 billion Swiss francs (US\$3.6 billion) in EBITDA. Fastweb, its Italian subsidiary, targets sales of up to 1.8 billion euros (US\$2.5 billion) and an operating profit of about 560 million euros (US\$783 million).
- **Norway's Telenor ASA and conglomerate Alfa Group have provisionally agreed to pool their multibillion dollar stakes in Russian and Ukrainian mobile operators into a single company.** Telenor merge OAO Vimpel Communications and Ukrainian operator Kyivstar into a single company in which they would each have 40 percent stakes, with the remaining 20 percent owned by VimpelCom's minority investors. Telenor agrees with this idea in principle, and that one possible outcome would be for the co-investors to form a joint venture registered in the U.S. in which they would pool their stakes: Telenor's 29.9 percent in VimpelCom, its 56.5 percent of Kyivstar, and Alfa's 44 percent of VimpelCom and 43.5 percent of Kyivstar. The paper reports that neither Telenor nor Alfa would control the joint venture. Telenor would like to consolidate the venture in its financial results, but this doesn't suit Alfa and the point has caused a break in the negotiations.
- **Hellenic Telecommunications Organization SA (OTE) said it will acquire Romanian mobile operator Zapp for a combined 207 million euros (US\$289.6 million) in debt and equity.** With the acquisition, OTE mobile subsidiary Cosmote - already active in Romania - will acquire Zapp's coveted 3G operating license, enabling to expand its services in the country. The total acquisition price includes 61 million euros (US\$85.3 million) for the shares in Zapp, while Cosmote will also assume another 146 million euros (US\$204.2 million) in debt and other outstanding liabilities held by Zapp. That debt is primarily related to the development of the 3G network. Zapp is among the smallest of Romania's five mobile operators with just 374,000 contract subscribers at the end of 2008. Last year, it reported 61 million euros (US\$85.3 million) in income. Cosmote Romania, by contrast, is one of the country's largest mobile operators with some 6.1 million total subscribers, including some 1.2 million under contract. But analysts said that Cosmote was operating at a disadvantage without a 3G license of its own.

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- **Avanti Communications Group PLC said future sales could soar, as it secured funding for its Hylas broadband satellite which will be used to provide high-speed Internet access to 70 million European homes in rural areas.** The firm raised 31.5 million pounds (US\$44 million) to help pay for the launch of its Hylas broadband satellite. Launch partner Arianespace has given Avanti a committed launch window of between April 2010 and June 2010. Hylas will be the first super-fast broadband satellite to be launched in Europe.
- **Freedom4 Group PLC hopes to win market share from larger rival BT Group PLC. The firm is looking to acquire fixed-line and broadband businesses.** The firm plans to offer one platform to provide different services to its customers. It would be able to send clients one bill for the range of services. Freedom4 announced a placing to raise 83 million pounds (US\$116.1 million) before expenses via a share placing. Riley said a portion of the funds raised will go towards ensuring the certainty to take the business to the next level. Freedom4 has conditionally agreed to acquire SME reseller Daisy and the assets of managed solutions provider Vialtus.
- **France Telecom SA's U.K. mobile operation Orange is cutting 370 jobs in the U.K. by the end of the year.** Around 100 of those positions will come from redundancies made in the next three months and the remaining 270 will come from removing unfilled vacancies, natural attrition and a review of efficiencies between now and the year-end which could lead to more redundancies. Orange employs 12,000 people in the U.K. and the job losses won't come from a specific department or region.
- **Virgin Mobile France is studying possibilities to bid for France's fourth 3G mobile license, the group's Deputy Secretary General, Philippe Maugest.** The company is considering bid options for mobile-phone frequencies that are to be auctioned in France in the coming months and that a tie-up with Virgin Mobile is one of the possibilities being studied. Virgin Mobile is looking at the financial and operational implications of becoming France's fourth mobile operator but is still waiting to get some clarifications before making a decision. Iliad SA, which competes with Numericable in the provision of broadband, television, and fixed-line phone services, is currently the only official candidate for the mobile frequencies. Numericable, which is owned by private-equity firms Carlyle Group LP and Cinven Group Ltd as well as investment vehicle Altice, and Virgin Mobile, currently offer customers mobile-phone services through network capacity rented from the country's established mobile operators.
- **Deutsche Telekom AG executives would prefer an asset-swap deal with any suitor for its T-Mobile UK unit.** The executives are interested in swapping T-Mobile for an asset in another country rather than selling or merging the business, although they acknowledge it would be a difficult deal to consummate. Vodafone Turkey, a unit of Vodafone Group PLC, which is reportedly mulling a bid for T-Mobile - is the ideal for an asset swap. 3 billion euros (US\$4.1 billion) would be the absolute minimum value for T-Mobile if Deutsche Telekom opts to sell.
- **Telenet NV has bought a chain of telecom product retail stores in Belgium. The purchase of BelCompany will take effect from June 30.** Financial details weren't provided. BelCompany stores are situated in all medium-sized and large cities. The 15 Discovery Stores which BelCompany operates aren't included in the transaction. Duco Sickinghe, Telenet's chief executive said the deal allows Telenet to get closer to its customers and improve services for its existing products.

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Semiconductor

- **Infineon Technologies AG raised its guidance for the current third quarter, adding to hopes the sector may have reached a bottom, but maintained its relatively grim full-year outlook.** Infineon expects operating profit, excluding items, to be near break even while sales are expected to grow by a low-teens percentage range compared with the second quarter. Infineon also said it expects an improved gross cash position approaching 850 million euros (US\$1387 million) for the third quarter ending June 30. The company forecast third quarter sales to grow by 10 percent compared with the second quarter and expected its operating margin to be negative in a mid-to-high single digit range. Infineon's second quarter sales were 747 million euros (US\$1219 million) and it posted an operating loss of 110 million euros (US\$179.6 million). Its gross cash position was 665 million euros (US\$1085 million) at March 31. The company's expectation of positive free cash flow was well received. Chip makers have been hit hard by plunging consumer demand for electronic gadgets. As people tighten their spending, they buy fewer mobile phones, computers and navigation systems powered by microchips.

Software

- **Oracle Corp. is planning to cut up to 1,000 jobs in Europe.** Oracle had forecast growth to be slower than expected in Europe, and that the cuts were designed to maintain the operating margin and preserve the long-term strategy of the company. The CFDT, one of the largest unions in France had expressed surprise and anger to Oracle over the planned cuts. Oracle plans to cut between 850 and 1,000 jobs from a total of 17,000 staff in Europe. Approximately 250 positions will be lost in France, the union said, which is just over 15 percent of its French workforce. Oracle has around 86,000 employees in total. The apparent move by Oracle comes shortly after the company indicated that the business outlook in North America had improved in the fourth quarter. At its earnings call, Oracle wasn't as clear on the outlook for Europe.

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Other Economic Data

Currency Exchange Rates

Currency	Units	Current Rate (on 7/3/09)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 1/1/2009	% Change 1/1/2008
Japanese yen	¥/US\$	96.0300	0.9%	0.4%	4.1%	-14.7%
Hong Kong dollar	HK\$/ US\$	7.7495	-0.01%	-0.02%	-0.01%	-0.7%
Chinese renmenbi	RMB/ US\$	6.8320	-0.01%	0.02%	0.1%	-6.5%
Singapore dollar	S\$/ US\$	1.4522	-0.1%	1.1%	-0.6%	0.5%
South Korean won	KRW/ US\$	1,265.7000	-1.0%	2.7%	-3.9%	35.3%
New Taiwan dollar	NT\$/ US\$	32.8680	-0.2%	1.5%	0.3%	1.1%
Australian dollar	US\$/A\$	0.7968	-1.3%	-2.9%	12.2%	-8.9%
New Zealand dollar	US\$/NZ\$	0.6297	-2.4%	-4.0%	7.7%	-18.6%
Philippine peso	PHP/ US\$	48.0000	0.2%	1.9%	1.7%	16.5%
Euro	US\$/€	1.3961	-0.6%	-2.4%	0.6%	-5.1%
British pound	US\$/£	1.6337	-1.1%	-1.4%	12.5%	-18.0%

Fixed Income Prices and Yields

Note	Currency	Current (on 7/3/09)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	98.70	4.37%	98.63	4.38%	96.13	4.49%
Japan 30-year	¥	102.35	2.20%	100.89	2.27%	99.74	2.30%
Hong Kong 10-year	HK\$	98.93	2.78%	98.12	2.88%	87.91	3.04%
China (06/16)	US\$	111.57	2.90%	111.57	2.90%	111.57	2.90%
Singapore 10-year	S\$	98.85	2.65%	99.30	2.60%	98.56	2.66%
South Korea 20-year	KRW	10,458.00	5.33%	10,164.10	5.58%	10,160.12	5.47%
Australia 15-year	A\$	101.75	5.55%	100.37	5.71%	100.59	5.92%
New Zealand (12/17)	NZ\$	101.18	5.90%	99.34	6.14%	99.96	5.75%
Philippines 20-year	PHP	102.09	9.48%	102.81	9.40%	102.41	9.23%
India 30-year	INR	90.60	7.78%	88.70	7.97%	90.20	7.67%
UK 30-year	£	105.21	4.48%	105.21	4.48%	101.62	4.65%
Germany 30-year	€	102.06	4.13%	100.29	4.24%	96.37	4.47%

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